

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Neutral
SPONSOR: Board of Equalization

BILL NUMBER: AB 2332
AUTHOR: M. Eng

BILL SUMMARY: Contractors: Licenses

This bill would authorize the Contractors' State License Board (CSLB), upon notification, to take specified actions against a contractor who fails to resolve outstanding final tax or fee liabilities imposed by the Board of Equalization (BOE).

FISCAL SUMMARY

At the time of this analysis, the CSLB had not submitted an analysis of this bill. According to the BOE, this bill would not result in increased administrative costs. The BOE indicates this bill should result in increased revenue collection in outstanding liabilities (taxes and penalties) owed by construction contractors. The BOE estimates it will collect between \$9 million (\$6 million General Fund) and \$34 million (\$22.55 million General Fund) in 2010-11 and between \$18 million (\$12 million General Fund) and \$68 million (\$45 million General Fund) in 2011-12 as a result of this bill.

COMMENTS

Existing law authorizes the CSLB to license and regulate contractors under the Department of Consumer Affairs. Existing law also allows the CSLB to refuse to issue, reinstate, reactivate, renew a license or suspend a license due to a contractor's failure to resolve all outstanding final tax or fee liabilities assessed by the Department of Industrial Relations, the Employment Development Department, or the Franchise Tax Board.

This bill adds the BOE to that list of tax collection agencies.

According to the sponsor of this bill, the intent of this bill is to encourage delinquent contractors to resolve their outstanding final tax or fee liabilities with the BOE.

Analyst/Principal (0282)J. Carosone	Date	Assistant Program Budget Manager Nona Martinez	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL NUMBER

AB 2332

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0735	Contractors' License Fund
3059	Fiscal Recovery Fund